



City of Santa Barbara
Airport Department

DATE: June 20, 2012

TO: Airport Commission

FROM: Karen Ramsdell, Airport Director

SUBJECT: Restating of Lease Agreement – Signature Flight Support Corporation

RECOMMENDATION:

That Commission recommend City Council approval of a Restated Lease Agreement with Signature Flight Support Corporation, a California Corporation, restating Lease No. 12,037 as amended, for approximately 938,321 square feet of land, including 116,797 square feet of buildings, at the Santa Barbara Airport, effective upon the adoption of the enabling ordinance, for a monthly rental of \$31,125, exclusive of utilities.

DISCUSSION:

The subject Premises are located south of Hollister Avenue in an Airport Facilities (AF) zone.

Signature Flight Support Corporation has been an Airport tenant since 1996 when it assumed control of Santa Barbara Aviation. A Fixed Base Operator (FBO), Signature provides aircraft storage, fueling, maintenance services and flight instruction. The Master Lease (No. 12,037) was effective August 1, 1983 and has been amended twice on April 30, 1990 (No. 15,240) and on February 15, 2002 (Agreement No. 12,037.1).

The lease will be restated in its entirety, and will include provisions to:

- Extend the term of the Lease to July 31, 2016;
- Recalculate the rent to remove percentage rent and replace with a revised base rent; and
- Remove the Elephant Bar & Restaurant from the Signature Premises and allow the Sublease, which expires September 30, 2013, to attorn to the City.

The extension of the term, which currently ends on July 31, 2013, will allow the Airport to complete the Master Plan process before soliciting proposals for Fixed Base Operators on the Airport. It will also allow Signature to enter into a term sublease agreement for additional hangar space, with Ampersand Aviation, LLC.

The recalculated rent was based on the historical land and hangar rental including the average monthly percentage rent paid by Signature and its subtenants. In addition, Signature will continue to pay fuel flowage fees and landing fees, and water and sewer charges. The Fuel Farm Lease (No. 18,538) remains in full force and effect.

The Elephant Bar will become a tenant of the Airport under the terms of its existing sublease until such time as a new lease with the City can be negotiated. All other Signature subleases will remain in full force and effect.

The proposed Lease Agreement has been negotiated based upon the criteria set forth in Resolution 93-127, and has been reviewed and determined to be exempt from environmental review.

PREPARED BY: Business & Property Division

ATTACHMENT: Map